

A Guide to Eugene Historic Rehabilitation Loan Program

1. General Provisions

The City of Eugene Historic Loan Program is available to City of Eugene property owners for restoration, rehabilitation, repair, and/or maintenance of historic properties. Properties may be private residences or commercial in use. Loans are awarded on a matching fund basis.

2. Eligibility Requirements

All historic landmarks within the city of Eugene are eligible for the loan fund. Other properties may be eligible under special circumstances upon approval by the Loan Committee or the Historic Review Board. The applicant for a historic loan may be either an individual or business entity.

Funds may be used for restoration, rehabilitation, repair, and/or maintenance of City Landmark or National Register properties. Work must be completed in entirety, but can sometimes be part of an ongoing project. Proposed work may be required to go through the City's alteration review process for Historic Landmarks and meet the Secretary of Interior's Standards for Rehabilitation.

3. Loan Conditions & Limits

3.1 Loan Amount and Interest

1. Must have a minimum of 1:1 leverage ratio of private to public funds for commercial loans and a 1:1 leverage ratio for non commercial loans.
2. Minimum City loan is \$5,000; maximum City loan is \$20,000.
3. Interest rate is 6%. This may change from year to year as determined by the department director.
4. Loan will amortize on a 10-year term requiring monthly payments. Loans may be amortized over a longer period. Longer amortizations are a program exception.

3.2 Borrower Contribution

The owner must provide proof of available matching funds. Depending on the scope of the project, the borrower may be required to help fund the project beyond the basic 1:1 match requirement.

3.3 Credit Evaluation

The City approves loans only after complete, independent evaluations of the applicant's credit worthiness and project feasibility. All loans are secured to collateral appropriate to the loan request.

3.4 Inspection and Work Write-Up

Your loan is based on an inspection of your property and write-up of the necessary work. A City historic rehabilitation specialist will inspect your property to understand proposed work.

3.5 Bidding

Before a loan is approved, the applicant must obtain bids for the rehabilitation work from at least two contractors. If these bids vary greatly, then another bid is recommended. Any

contractor(s) performing work on the project must be licensed and bonded for the type of work planned. The City reserves the right to deny the use of a contractor. You must have a written contract with the contractor prior to starting work; the City will provide the necessary construction documents.

Borrowers are not allowed to perform their own work on projects unless they hold current registration with the state of Oregon as a General Contractor. If you are serving as your own general contractor you must also submit a complete list of materials needed and their cost, and the amount and cost of any labor you intend to hire. You must have a written contract with all subcontractors.

You, or any household member, cannot be paid for labor or reimbursed for the purchase of tools. Reasonable overhead and profit costs may be deemed as eligible program costs if the owner is a professional contractor. We recommend that you do not use sale prices or quotes from cut-rate dealers, even though you may later buy from these sources. We recommend liberal cost estimates because prices may go up while you are doing your work.

We also require having your building permit and plans approved before your loan application is presented for final approval. The City's Building Division could require additional items which would increase the cost of the work. Your historic rehabilitation advisor will help you with the entire process, but it is ultimately your responsibility to seek bids and/or materials and their costs.

3.6 Conflict of Interest

If you are a City employee, you may have a conflict of interest which would make you ineligible to receive a historic rehabilitation loan. Consult with the loan officer for more information.

4. Application Review Criteria

The Secretary of the Interior's Standards for Rehabilitation will be used to review proposed restoration, rehabilitation, repair, and maintenance work proposed for historic loan funding. A copy of the Standards and assistance in meeting the Standards can be obtained from the Eugene Planning Division and the State Historic Preservation Office.

4.1 Level of Need to Accomplish Proposed Work (40% weight factor)

HIGH PRIORITY-URGENT NEED, IMMINENT THREAT OR RAPID DETERIORATION.

These are situations where the building or site will be demolished or the significant historic features severely damaged if the work is not accomplished, such as a roof replacement.

SECOND PRIORITY – BASIC NEEDS AND RESTORATION OF MISSING HISTORIC FEATURES.

Repair and maintenance items which would prevent further damage to the property, such as roof and gutter repair, painting, foundation work, and repair of deteriorated architectural features. Restoration of missing historic features requires accurate replication of

composition, design, texture, and other visual qualities substantiated by original historic plans, photographs, or other physical evidence.

THIRD PRIORITY – REMOVAL OF INCOMPATIBLE ADDITIONS AND FEATURES.

The Standards recognize that changes that have taken place over time, and are evidence of the history and development of the building/site and its environment, may have acquired significance in their own right and therefore will not be removed. However, in cases where the addition or alteration clearly detracts from the building/site's historic integrity, removal will meet the standards.

4.2 Visibility (25% weight factor)

Priority will be given to those properties that are highly visible due to their location, accessibility, or notoriety.

4.3 Community Interest (10% weight factor)

Priority will be given where a high degree of community interest exists or may be generated.

4.4 Impact on the Retention and Maintenance of Other Historic Property (25% weight factor)

Priority will be given where it is determined that the proposed project will have a particularly positive influence on the potential retention of other threatened or poorly maintained historic property in the neighborhood area.

5. Project Process & Feasibility

The following is a summary of the steps in processing a historic loan:

1. Pre-development conference with Staff to determine eligibility.
2. An applicant must present a completed Historic Loan application to the Eugene Planning Division. If required, a Historic Alteration Application is submitted as well.
3. The Planning Division and Development Division Staff review the application to determine conformance and eligibility.
4. The applicant submits a credit application to the City of Eugene Development Division.
5. Development Division staff reviews the loan request and recommends approval or denial to the division director or his or her designee.
6. Final decisions on loan approval are made by the City Manager or his/her designee.
7. If approved, the Development Division prepares loan documentation and, as work progresses, disburses funds.

8. Staff visit project site to ensure conformance.

The time for processing a loan depends on the project. Generally, the processing time is 6-8 weeks.

6. Project Implementation

6.1 Public Record Statute

Records maintained by the City concerning loan applications including information submitted by or on behalf of the applicant are subject to Oregon's Public Records Statute (ORS 192.410 et seq). This law provides for disclosure of public records unless specifically exempted by statute or, in some cases, by the City's determination. The City will maintain confidentiality of the loan application materials unless disclosure is necessary for a bona fide public purpose.

6.2 Environmental & Historic Reviews

Loan requests may be subject to environmental and historic reviews. These reviews are completed by the City and vary in scope depending on the use of loan proceeds. Funds are not dispersed until these reviews are complete. All loan recipients located in the flood plain require adequate insurance coverage from a company authorized to write such insurance in Oregon.

6.3 Progress Inspections

Work done with a historic rehabilitation loan often requires a building permit. All of the work done must be inspected by the rehabilitation advisor and some of the work may be inspected by a City building inspector. Obtaining the necessary building permits and inspections is the responsibility of the project owner and the general contractor. When an owner or contractor requests payment, the advisor must certify that the requested amount is reasonable for the work properly completed. The advisor must also certify that the remaining funds will be sufficient to complete the work yet to be done. If they are not, optional work may have to be deleted.

6.4 Payment for Work

Funds will be disbursed only for completed work. As portions of work are completed, progress payments may be requested. Contractors may use their own billing forms. The City holds 10% of the contract amount until the final inspection. Matching funds contributed by the owner must be spent prior to the City disbursing its loan funds.

7. Servicing

7.1 Non-Transferability of Loans

The City's loan may not be assumed in any property or business transaction. If the property is sold or transferred in any manner, the City's loan is immediately due and payable.

7.2 Failure to Comply

Failure to comply with any applicable program guidelines or Federal requirement will constitute a breach of the Historic Loan Agreement. Such a breach will result in City action to recover moneys determined to have been spent on ineligible projects or activities.

7.3 Unused Funds

Any loan funds which are not used for historic rehabilitation purposes will be used to decrease the loan principal amount owed after the work is finished. Funds may not be used to pay interest.

8. Exceptions Policy

Exceptions to these guidelines are reviewed on a case-by-case basis.

Materials Needed to Complete the Loan Application

The following materials are to be included in the application packet, available at the Eugene Planning Division, located at 99 West 10th Avenue in the Atrium Building.

- Feasibility Worksheet
- Personal Financial Statement
- Verification of Mortgage
- Notice to Applicants
- Receipt & Acknowledgement
- Tenant Verification & Lead Paint Notification

All forms must be completed and returned to the Eugene Planning Division office in order for your application to be processed, along with the following documents:

- Most recent tax return
- Any appraisal completed within the last two years
- Copies of any land sales contracts on the property

For More Information:

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Planning Division

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